

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CLAY COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
December 1, 2005 Through November 30, 2006**



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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable James A. Sizemore
Clay County Property Valuation Administrator
Manchester, Kentucky 40962

We have performed the procedures enumerated below, which were agreed to by the Clay County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for period December 1, 2005 through November 30, 2006. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Clay County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Auditor Re-perform the year-end bank reconciliation (November 30, 2006), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, disbursement ledger, and reconciles bank records to the check register each month. Auditor examined bank reconciliation for October 2006 and determined amounts did agree.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed that city receipts were complete and agreed to the amount paid from the city government.



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3. Procedure -

Compare any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

All payments made by the fiscal court were confirmed. The budgeted statutory contribution by fiscal court agrees to the legally required amounts calculated by the Department of Revenue. Fiscal court payments were traced to the PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements agreed to cancelled checks, paid invoices, or other supporting documentation.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA did not have any capital outlay disbursements for the period beginning December 1, 2005 through November 30, 2006.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA did not have any vehicle lease agreements, personal service contracts, or professional service contracts for period beginning December 1, 2005 and ending November 30, 2006.

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Clay County Property Valuation Administrator
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7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor could not complete this test procedure. The PVA maintains a disbursements ledger, but does not categorize expenditures according to budget line items.

PVA's Response - No Response.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary, determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

It was determined that collateral is not necessary for the PVA's funds; therefore no collateral security agreement is necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

It was determined that attendance records are completed, maintained, and submitted to the Department of Revenue bi-weekly. These timesheets were initialed daily by employees; however, employees need to sign their individual timesheet at the end of each pay period. We recommend the PVA maintain daily timesheets that are prepared and signed by the employee, and reviewed and approved by their supervisor before being submitted for payroll processing.

PVA's Response - No response.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

Cash balances were properly transferred from the former PVA to the new PVA on November 30, 2006.

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Clay County Property Valuation Administrator
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

December 1, 2006